

Supporting Statement for Paperwork Reduction Act Submissions
Request for Construction Changes on Project Mortgages
OMB Control Number 2502-0011
(Form HUD-92437)

A. Justification

1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information. Include a statement regarding the changes for this submission. (Example: The change for this submittal is as follows or the difference between this submission and the last is as follows....)

Section 207(b) of the National Housing Act (Public Law 479, 48 Stat. 12 U.S.C. 1701, et. seq.), authorizes the Secretary of the Department of Housing and Urban Development to insure mortgages for construction of rental housing projects. Regulations can be found at 24 CFR 200 Subpart A. Regulations authorize the Secretary to conduct periodic inspections and observations of the construction site of a multifamily housing project for the purposes of protecting the Department interests. Contractors, mortgagors, and mortgagees use the information to obtain approval of changes in contract drawings and specifications from the FHA Commissioner. Changes to the scope or the design of a project occur for a variety of reasons. Information from this collection is used by HUD to determine that the respondents are in compliance with Article 1.E of the construction contract, which states “Changes in Drawings and Specifications of any terms of the contract documents, or orders for extra work, or changes by altering or adding to the work, or which will change the design concept, may be effected only with the prior approval of the mortgagor and the FHA Commissioner under such conditions as either the mortgagor or the FHA Commissioner may establish.

2. Indicate how, by whom, and for what purpose the information is to be used. *Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.*

Inspections are conducted to evaluate the contractor and architect’s performance, to obtain construction in accordance with contract documents, and to report on conformance with prevailing wage and other contract requirements. HUD must review all requested changes that may affect the marketability, value, income, maintenance, or operating cost of the project. The Department must also identify and explain any estimated increase or decrease in net project income.

Form HUD-92437, Request for Construction Changes on Project Mortgages. This form serves as the project’s change order involving changes to contract work, contract price, or contract time. All on-site construction changes are submitted on this form. The contractor, architect, mortgagor, and mortgagee must approve the proposed changes before the request is submitted to HUD for approval. The form ensures that viable projects are developed.

This previous OMB collection contained three multifamily closing forms: HUD-92441,

HUD-92442, and HUD-92442-A. We have removed them from this collection and placed them under the Multifamily Closing Documents collection, OMB control number 2502-0598. Forms HUD-92442, and HUD-92442-A were combined into one document HUD-92442M.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden.

The highest priority remains the replacement of DAP's tracking system, and its capability to produce documents and reports which are useful to application closings and managing work and policy and integration with existing systems now used by MF and other departments for operational and policy-making purposes such as portfolio management and revenue and accounting controls. The new system, to be called Portal and Loan Underwriting System (PLUS), is a workflow management software. Lenders will admit documents directly to HUD's internal processing steps. Other aspects of the end-to-end solution sought includes in order of priority, document management capability, reports creation capability, a lender portal for web-based application submissions, and various workflow collaboration and management tools such as team assignment and notifications that will coordinate with the Multifamily for Tomorrow reorganization. As a result of this reassessment, we cannot predict when some or all of the intended end-to-end solutions will be developed or implemented, and any such development and implementation will also be dependent on FHA IT needs and priorities and funding.

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.

This information is not collected elsewhere. A review of Development and construction costs varies with each project; general or modified information is not acceptable. No other forms exist that can be substituted to obtain the required information for construction contract administration.

5. If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-I), describe any methods used to minimize burden.

There are no small businesses or other small entities involved in the collection of this information.

6. Describe the consequence to Federal program or policy activities if the collection is

not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.

Collection of information occurs as changes in contract documents occur at a construction site. If the information were collected less frequently, there would be a discrepancy that could lead to possible mechanic's liens against the property, bankruptcy of the general contractor, and defaults under the terms of the Building Loan Agreement, foreclosure, and repossession by the Department.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:

- **requiring respondents to report information to the agency more often than quarterly** - The form HUD-92437 may be used more than once during the construction period.
- **requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it** - There are no requirements for respondents to prepare written response to information in fewer than 30 days. No special circumstances involved.
- **requiring respondents to submit more than an original and two copies of any document:**
 - There are no requirements to respondents to submit more than an original and two copies of any document. No special circumstances involved.
- **requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records, for more than three years:** - There are no requirements of respondents to retain records, other than for more than three years. no special circumstances involved.
- **in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study:** - This collection is not designed or used in connection with a statistical survey.
- **requiring the use of a statistical data classification that has not been reviewed and approved by OMB:** - There is no statistical data classification used under this collection.
- **that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or:** - There is no pledge of confidentiality that is not supported by authority established in statute or regulation. No special circumstances involved.
- **requiring respondents to submit proprietary trade secrets, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law:** - There are no special circumstances involved that requires the respondents to submit proprietary trade secrets, or other confidential information.

8. If applicable, provide a copy and identify the date and page number of publications in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.

- Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.
- Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years - even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

In accordance with 5CFR 1320.8(d), this information collection soliciting public comments was announced in the *Federal Register* on **December 5, 2023**, Volume **88**, No. **232**, Pages **84347**. (0) Comments received.

The following individuals were solicited regarding the collection:

Elizabeth Woodward Southeast Region US Department of Housing and Urban Development 400 West Bay Street, Suite1015 Jacksonville, Florida 32202 (904) 208-6036	Ken Cooper Southwest Region US Department of Housing and Urban Development 801 Cherry Street Suite 2500, Unit 45 Fort Worth, Texas 76102 (817) 978-9567	Almar Arastic West Region US Department of Housing and Urban Development 1 Sansome St. Suite 1200 San Francisco, CA 94104 (415) 489-6657
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All individuals concluded that information collection is still necessary to conduct business. No problems were indicated by any of these individuals relative to our present construction contract procedures and the forms associated therewith.

9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.

No payments or gifts are provided to respondents.

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.

Form HUD-92437 is for the Department’s use only and respondents are assured that the material will not be released unless it is under the Freedom of Information Act.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

The collection does not contain information of a sensitive nature about sexual behavior or attitudes, religious beliefs, or private matters.

12. Provide estimates of the hour burden of the collection of information. The statement should:

*** Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base the hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices.**

*** If this request for approval covers more than one form, provide separate hour burden estimates for each form, and aggregate the hour burdens in Item 13 of OMB Form 83-I.**

*** Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included in Item 13.**

Form HUD-92437 may be used more than once during the construction period. These numbers are representative of the average number of change orders a project may experience.

Information Collection	Number of Respondents	Frequency of Response	Responses Per Annum	Burden Hours Per Response	Annual Burden Hours	Hourly Cost per Response	Total Annual Cost
HUD-92437	1174	3	3522	2	7044	\$ 42.01	\$295,918.44
TOTALS	1174		3522		7044		\$295,918.44

13. Provide an estimate for the total annual cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14).

*** The cost estimate should be split into two components: (a) a total capital and start-up cost component (annualized over its expected useful life) and (b) a total operation and maintenance and purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information. Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and record storage facilities.**

*** If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of purchasing or contracting out information collections services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10), utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.**

*** Generally, estimates should not include purchases of equipment or services, or portions thereof, made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.**

There are no additional costs incurred with this collection

14. Provide estimates of annualized costs to the Federal government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information. Agencies may also aggregate cost estimates from Items 12, 13, and 14 in a single table.

Information Collection	Number of Respondents	Frequency of Response	Responses Per Annum	Burden Hours Per Response	Annual Burden Hours	Hourly Cost per Response	Total Annual Cost
HUD-92437	1174	3	3522	1	3522	\$40.51	\$142,676.22
TOTALS	1174		3522		3522		\$142,676.22

15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I.

This is a reinstatement, with change, of a previously approved collection for which approval has expired. The previous OMB collection reflects an accurate assessment of the numbers submitted under this collection, which once included three forms. The specific forms: HUD-92441, HUD-92442, and HUD-2442-A were removed from this collection and placed under the Multifamily Closing control number 2502-0598. Forms HUD-92442, and HUD-92442-A were combined into one document HUD-92442M. The current numbers are based on the average of three fiscal years of initial endorsements. Under this collection number, these forms must be removed from ROCIS.

16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

Collection of this information will not be published. The form will be maintained with the HUD Program Office in individual case files.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

HUD is not seeking approval to avoid displaying the OMB expiration date.

18. Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-I.

There are no exceptions to the Certification Statement identified in item 19 of Form OMB 83-I.

B. Collections of Information Employing Statistical Methods

This collection will not employ statistical methods.